

HOUSE BILL NO. 262

INTRODUCED BY B. EBINGER, DRISCOLL, PHILLIPS

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DEFINITION OF "LOW-EMISSION WOOD OR BIOMASS COMBUSTION DEVICE" TO INCLUDE A MASONRY HEATER AND AN OUTDOOR HYDRONIC HEATER FOR THE PURPOSE OF CLAIMING THE TAX CREDIT FOR INSTALLING AN ALTERNATIVE ENERGY SYSTEM; ~~DEFINING "MASONRY HEATER"~~; AMENDING SECTIONS 15-32-102 AND 15-32-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-32-102, MCA, is amended to read:

"15-32-102. Definitions. As used in this part, the following definitions apply:

(1) "Alternative energy system" means the generation system or equipment used to convert energy sources into usable sources using fuel cells that do not require hydrocarbon fuel, geothermal systems, low-emission wood or biomass, wind, photovoltaics, geothermal, small hydropower plants under 1 megawatt, and other recognized nonfossil forms of energy generation.

(2) "Building" means:

(a) a single or multiple dwelling, including a mobile home or manufactured home; or
(b) a building used for commercial, industrial, or agricultural purposes that is enclosed with walls and a roof.

(3) "Capital investment" means any material or equipment purchased and installed in a building or land with or without improvements.

(4) "Energy conservation purpose" means one or both of the following results of an investment:

(a) reducing the waste or dissipation of energy; or
(b) reducing the amount of energy required to accomplish a given quantity of work.
(5) "Geothermal system" means a system that transfers energy either from the ground, by way of a closed loop, or from ground water, by way of an open loop, for the purpose of heating or cooling a residential building.

(6) "Low-emission wood or biomass combustion device" means ~~a wood-burning appliance~~:

1 (a) a wood burning appliance THAT IS:

2 (i) certified by the U.S. environmental protection agency pursuant to 40 CFR 60.533; or OR

3 (ii) QUALIFIED FOR THE PHASE 2 WHITE TAG UNDER THE U.S. ENVIRONMENTAL PROTECTION AGENCY METHOD
4 28 OWHH FOR OUTDOOR HYDRONIC HEATERS;

5 (b) an appliance that uses wood pellets as its primary source of fuel; or

6 (c) a masonry heater CONSTRUCTED OR INSTALLED IN COMPLIANCE WITH THE REQUIREMENTS FOR MASONRY
7 HEATERS IN THE INTERNATIONAL RESIDENTIAL CODE FOR ONE- AND TWO-FAMILY DWELLINGS.

8 ~~—— (7) "Masonry heater" means a solid-fuel heating device that is constructed on-site according to ASTM~~
9 ~~E1602 standards or manufactured at a factory according to UL 1482 standards. The heater consists~~
10 ~~predominantly of masonry materials or soapstone in which the heat from intermittent fires burned in the heater's~~
11 ~~firebox is stored in the structure of the heater for slow release into a dwelling. The interior of the heater consists~~
12 ~~of a firebox and heat exchange channels built from refractory components. A masonry heater has the following~~
13 ~~characteristics:~~

14 ~~—— (a) a mass of at least 800 kilograms or 1760 pounds, excluding the masonry heater base and the~~
15 ~~chimney;~~

16 ~~—— (b) tight-fitting fuel loading doors that are closed during the burn cycle;~~

17 ~~—— (c) an overall average wall thickness not exceeding 250 millimeters or 10 inches;~~

18 ~~—— (d) under normal operating conditions, the external surface of the heater, except the surface immediately~~
19 ~~surrounding the fuel loading doors, does not exceed 110 degrees Celsius or the Fahrenheit equivalent;~~

20 ~~—— (e) the gas path through the internal heat exchange channels leading from the firebox includes at least~~
21 ~~one 180-degree change in flow direction before entering the chimney;~~

22 ~~—— (f) the length of the shortest single path from the firebox exit to the chimney entrance is at least twice~~
23 ~~the largest firebox dimension;~~

24 ~~—— (g) a combustion air control that is designed to provide a high-temperature burn rate only; and~~

25 ~~—— (h) a combustion air introduction system that directs most of the combustion air to the area in the firebox~~
26 ~~that is at or above the level of the fire.~~

27 ~~(7)(b)(7)~~ (7) "Passive solar system" means a direct thermal energy system that uses the structure of a
28 building and its operable components to provide heating or cooling during the appropriate times of the year by
29 using the climate resources available at the site. ~~It~~ The term includes only those portions and components of a
30 building that are expressly designed and required for the collection, storage, and distribution of solar energy and

that are not standard components of a conventional building.

~~(8)(9)(8)~~ "Recognized nonfossil forms of energy generation" means:

(a) a system that captures energy or converts energy sources into usable sources, including electricity, by using:

(i) solar energy, including passive solar systems;

(ii) wind;

(iii) solid waste;

(iv) the decomposition of organic wastes;

(v) geothermal;

(vi) fuel cells that do not require hydrocarbon fuel; or

(vii) an alternative energy system;

(b) a system that produces electric power from biomass or solid wood wastes; or

(c) a small system that uses water power by means of an impoundment that is not over 20 acres in surface area."

Section 2. Section 15-32-201, MCA, is amended to read:

"15-32-201. Amount of credit -- to whom available. (1) A resident individual taxpayer who completes installation of an energy system using a recognized nonfossil form of energy generation, as defined in 15-32-102, ~~in TO PROVIDE HEAT FOR~~ the taxpayer's principal dwelling ~~after December 31, 2001~~, is ~~entitled~~ allowed to claim a tax credit in an amount equal to the cost of the system, including installation costs, less grants received, not to exceed \$500, against the income tax liability imposed against the taxpayer pursuant to chapter 30.

(2) ~~(a) A Subject to subsection (2)(b), a~~ A resident individual taxpayer who completes installation of an energy system using a low-emission wood or biomass combustion device, as defined in 15-32-102, ~~in TO PROVIDE HEAT FOR~~ the taxpayer's principal dwelling ~~after December 31, 2001~~, is ~~entitled~~ allowed to claim a tax credit in an amount equal to the cost of the system, including the installation costs, not to exceed \$500, against the income tax liability imposed against the taxpayer pursuant to Title 15, chapter 30.

~~———— (b) If the low-emission wood or biomass combustion device is a masonry heater, it must have been constructed or installed by a qualified masonry heater builder or a manufacturer-certified installer to qualify for the credit under subsection (2)(a)."~~

1 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

2

3 NEW SECTION. **Section 4. Retroactive applicability.** [This act] applies retroactively, within the
4 meaning of 1-2-109, to masonry heaters installed after December 31, 2008, and to tax years beginning after
5 December 31, 2008.

6

- END -